EXCLUSION REQUEST NO. 7

a. Product Name: Highly Lubricative ("L-Treated") Corrosion-Resistant Steel
HTSUS Classification: 7210.30.0060, 7210.49.0090

b. Technical Description:

Highly Lubricative Corrosion-Resistant Steel ("L-Treated CRS") is a patented product that consists of certain electrogalvanized or hot-dipped zinc-iron annealed coated steel that is treated with a highly lubricative film (typically with a thickness of 0.01μ m) containing manganese and phosphorus.

c. Basis for Exclusion Request:

L-Treated CRS is primarily used to manufacture automotive outer side panels. The main benefits of L-Treated CRS are the following:

(a) L-Treated CRS has excellent lubricative performance in an oiled condition;

(b) The L-treatment film on the L-Treated CRS does not adversely affect phosphating treatment by an automotive panel phosphating agent;

(c) The L-treatment film is so thin that it does not affect the weldability of these steel sheets;

(d) This technology may be used for galvanized steel sheets; and

(e) The formability range of the steel sheets is widely expanded by the L-treatment.

L-Treated CRS should be excluded from any Section 203 relief provided to the domestic steel industry because L-Treated CRS is a patented product that cannot be produced by U.S. mills. Specifically, NSC holds an exclusive patent on both L-Treated CRS itself and the process for producing this product. *See* U.S. Patent No. 5,525,431. Because no U.S. mill has been licensed to produce L-Treated CRS, NSC is the only source of this unique product.

NSC is not aware of any products that can achieve the same performance as L-Treated CRS in terms of press-formability, phosphatability, and weldability. Although U.S. mills produce a product with enhanced formability through a pre-phosphate treatment, this product is nevertheless inferior to NSC's L-Treated CRS in terms of both formability and phosphatability (which results in better corrosion resistance after painting). Accordingly, NSC is not aware of any commercially-viable substitutes for L-Treated CRS.

d. Names and Locations of Any Producers:

NSC is the only producer of L-Treated CRS.

e. Total U.S. Consumption:

NSC **[**

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NSC's has estimated **[**

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	2001	2002	2003	2004	2005
Qty (ST)	[				]
Value US $	[				]

f. Total U.S. Production:

As noted above, there is no U.S. production of this product.

g. U.S.-Produced Substitute, Total U.S. Production of Substitute, and the Names of Any U.S. Producers of the Substitute:

As noted, NSC is unaware of any U.S.-manufactured steel products that are commercially-viable substitutes for L-Treated CRS.